

## **INSTRUCTIONS FOR THE COMPLETION OF SCHEDULE S**

### **PART S-1 INVESTMENTS MADE PURSUANT TO FINANCIAL CODE SECTION 751.3**

#### **GENERAL**

#### **REPORT ALL DOLLAR AMOUNTS IN THOUSANDS.**

**SECTION 1** is to be completed by banks who are directly engaged in real property investment as defined in Section 751.3(d) of the California Financial Code.

**SECTION 2** is to be completed by banks who have acquired and hold stock of one or more corporations the primary activities of which are engaging in real property investment as defined in Section 751.3(c).

**SECTION 3 and 4** are to be completed by all banks who are engaged in real property investment either directly or through a subsidiary investment.

#### **SECTION 1**

Report in this Section direct investments in real property made by the bank pursuant to Section 751.3(d). Include loans, guarantees and letters of credit (L/C's) made by the bank for the benefit of the projects.

Name of Project/Partner - Report the name of the project that the bank has made a direct investment in and/or the name of the project & partner in the case of partnership investments.

Project Type - Report the type of project., i.e., Construction - Single Family Residence (SFR), Commercial Properties (CP), Multi-Family Residences (MFR), Land Development (LD), or if bank is owning for sale, renting, leasing, managing or operating for income that property.

Investment Type - Report the type of investment, i.e., (D)irect (no partners), (L)imited (P)artnership, (G)eneral (P)artnership, or (J)oint (V)enture.

Amount Invested - Report the dollar amount (in thousands) of the investment of the bank into the projects/properties.

Amount of Loans, etc. - Report the Disbursed and Undisbursed balance (in thousands) of loans, letters of credit, guarantees, etc. made by the bank for the benefit of the project.

Third Party Debt - Report the dollar amount, in thousands, of all third party debt, loans, etc., received for the benefit of the project.

Total - Total the Amount Invested, Amount of Loans and Third Party Debt columns.

#### **SECTION 2A**

Report in this Section bank's investment in subsidiaries the primary activities of which are engaging in real property investment pursuant to Financial Code Section 751.3(c). Include loans, letters of credit (L/C's), guarantees, etc., made for the benefit of the subsidiary.

Name of Subsidiary - Report the name of the subsidiary(ies) that bank holds stock in.

Amount of Bank's Investment - Report the dollar amount (in thousands) of the bank's equity investment in the subsidiary(ies) and the bank's share of retained earnings of the subsidiary(ies). Enter the total of equity investments and retained earnings in the total column.

% Owned - Report as a percentage, the approximate amount of the subsidiary that the bank owns, i.e., 100% wholly-owned, 10%, etc.

Amount of Loans, etc. Made by Bank - Report the Disbursed and Undisbursed balance of loans, letters of credit, guarantees, etc. made by the bank to the subsidiary(ies).

## **SECTION 2A - Continued**

Third Party Debt of Subsidiary - Report the dollar amount, in thousands, of all third party debt of the subsidiary(ies).

Indicate whether or not there is recourse to the bank - Answer (Y)es if there is recourse to the bank on the third party debt and (N)o if there isn't.

Total - Total the bank's Equity Investment, Retained Earnings, Total, Amount of Loans, etc., and Third Party Debt of Subsidiary columns.

## **SECTION 2B**

Report in this Section the subsidiary's investment in each real estate project/property. Include loans, letters of credit (L/C's), guarantees, etc., made for the benefit of the projects of the subsidiary(ies).

Name of Project/Partner - Report the name of the project that the subsidiary has made an investment in or the name of the project and name of the partner in the case of partnership investments made by the subsidiary.

Project Type - Report the type of project, i.e., Construction - Single Family Residence (SFR), Commercial Properties (CP), Multi-Family Residences (MFR), Land Development (LD), or if subsidiary is owning for sale, renting, leasing, managing or operating for income that property.

Investment Type - Report the type of investment, i.e., (D)irect (no partners), (L)imited (P)artnership, (G)eneral (P)artnership, or (J)oint (V)enture.

Amount Sub. Invested - Report the dollar amount (in thousands) of the investments made by the subsidiary into the projects/properties. Include any loans made by the subsidiary to the projects/properties.

Amount of Loans, etc. Made by Bank - Report the Disbursed and Undisbursed balance of loans, letters of credit, guarantees, etc. made by the bank for the benefit of the projects of the subsidiary(ies).

Third Party Debt of Project - Report the dollar amount in thousands, of all third party debt of the projects of the subsidiary(ies).

Indicate whether or not there is recourse to the bank - Answer (Y)es if there is recourse to the bank on the third party debt and (N)o if there isn't.

Total - Total the Amount Subsidiary Invested, Amount of Loans, etc., and Third Party Debt of Projects columns.

## **SECTION 3**

This section relates the other real estate owned (ORE) reported on the bank's FFIEC, Schedule RC, Line 7.

Foreclosed property on debts previously contracted - report the amount of "traditional" ORE held on the bank's books that is included in FFIEC Schedule RC, Line 7, "Other Real Estate Owned". This figure will help us in determining how much true "ORE" exists in California state-chartered banks as opposed to the figure that includes 751.3 investments.

## **SECTION 4**

Report the net profit/loss from real property investment made pursuant to Financial Code Section 751.3 realized year to call date and included in FFIEC Schedule RI, Line 12 "Net Income (Loss)".